

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Notice of Market Dominant  
Price Adjustment

Docket No. R2018-1

CHAIRMAN'S INFORMATION REQUEST NO. 2

(Issued October 16, 2017)

To assist the Commission in evaluating Library Reference USPS-LR-R2018-1/5, October 6, 2017, Excel files "CAPCALC-SpecServ 4q16 to 3q17.xlsx" (CapCalc file) and "4Q16 to 3Q17 Special Services.xlsx," which was filed in support of the Postal Service's Notice of Market Dominant Rate Adjustment in Docket No. R2018-1,<sup>1</sup> the Postal Service is requested to provide written responses and revised workpapers, when appropriate, to the following questions and requests for information. Responses to individual questions and, if applicable, revised workpapers, should be provided as soon as they are developed, but no later than October 23, 2017.

**Special Services**

1. Please refer to tab "F-6 Registered Mail" of the CapCalc file. The formula displayed in cell F39, volume for Handling Charges, is "=+C50/G39." Cell C50 reports the revenue for Registered Restricted Delivery.
  - a. Please confirm that the formula displayed in cell F39 and revenue reported in cell C50 are correct.
  - b. If confirmed, please explain why the volume of Handling Charges is calculated using the revenue for Registered Restricted Delivery.

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<sup>1</sup> Notice of Market Dominant Price Adjustment, October 6, 2017 (Notice).

- c. If not confirmed, please file revised workpapers (if applicable, state if the volume for Handling Charges in cell F39 should be 18,741 (cell C43) or another quantity).
2. Please refer to tab “F-15 SFS” of the CapCalc file. Cell D12 reports Custom Order revenue of \$1,630. Cell C12 reports Custom Order volume of 734.
  - a. Please confirm that the average unit revenue for Custom Orders in the hybrid year was \$2.22 (cell D12 divided by cell C12).
  - b. If confirmed, please reconcile this with the price reported in cell I10 of \$2.00.
  - c. If not confirmed, please explain.
3. Please refer to tab “G-3 Certificates of Mailing” of the CapCalc file. Please reconcile the discrepancy between the 4,698,159 transactions reported in cell D42 and the volume of 21,333 reported in cell H12. If the footnote in cell B46 is intended to address this discrepancy, please provide further explanation.
4. Please refer to tab “AEC II” of the CapCalc file. Cell C8 reports revenue of \$668,276. Cell B8 reports volume of 2,088,409.
  - a. Please confirm that the average unit revenue for AEC II in the hybrid year was \$0.32 (cell C8 divided by cell B8).
  - b. If confirmed, please reconcile this with the price reported in cell G7 of \$0.31.
  - c. If not confirmed, please explain.
5. Please refer to tab “Computerized Delivery Sequence” of the CapCalc file. Cell B9 reports 376 transactions. Cell F9 reports a volume of 262,548,709.
  - a. Please confirm that this reported information is correct.
  - b. If confirmed, please reconcile the two numbers.

- c. If not confirmed, please file revised workpapers.
- 6. Please refer to tab “DPV” of the CapCalc file. Cell C9 reports revenue of \$375,938. Cell B9 reports a volume of 37.
  - a. Please confirm that the average revenue for DPV in the hybrid year was \$10,160 (cell C9 divided by cell B9).
  - b. If confirmed, please reconcile this with the price reported in cell G9 of \$11,250.
  - c. If not confirmed, please explain.
- 7. Please refer to tab “DSF2” of the CapCalc file. Cell D9 reports revenue of \$1,745,333. Cell C9 reports a volume of 16.
  - a. Please confirm that the average revenue in the hybrid year was \$109,083.33 (cell D9 divided by cell C9).
  - b. If confirmed, please reconcile this with the price reported in cell H9 of \$112,000.
  - c. If not confirmed, please explain.
- 8. Please refer to tab “CASS” of the CapCalc file. Cell D15 reports After July 31<sup>st</sup> (for current cycle) revenue of \$33,000. Cell C15 reports After July 31<sup>st</sup> (for current cycle) volume of 48.
  - a. Please confirm that the average revenue in the hybrid year for After July 31<sup>st</sup> (for current cycle) was \$687.50 (cell D15 divided by cell C15).
  - b. If confirmed, please reconcile this with the price reported in cell H15 of \$1,000.
  - c. If not confirmed, please explain.
- 9. Please refer to tab “MASS” of the CapCalc file.

- a. Please confirm that the revenues reported in column D, for each After July 31<sup>st</sup> (current cycle) line item, were prorated at approximately 50 percent of the published rate, as explained in Docket No. R2017-1.<sup>2</sup>
  - b. If not confirmed, please reconcile the revenue of \$118,750 reported in cell D28 with the revenue of \$237,500 reported in cell J28.
10. Please refer to tab “LACSLink” of the CapCalc file. Cell D13 reports End User (per year) revenue of \$2,217. Cell C13 reports End User (per year) volume of 7.
  - a. Please confirm that the average revenue for End User (per year) in the hybrid year was \$316.67 (cell D13 divided by cell C13).
  - b. If confirmed, please reconcile this with the price reported in cell H13 of \$350.
  - c. If not confirmed, please explain.
11. Please refer to tab “NCOALink” of the CapCalc file.
  - a. Please confirm that the discrepancy between published prices reported in column H and average unit revenue (the revenues reported in column D divided by the volumes reported in column C for rows 9 through 26) is the result of pro-rated fees, as explained by the Postal Service in Docket No. R2017-1.<sup>3</sup>
  - b. If not confirmed, please reconcile the revenue of \$10,374,327 reported in cell D31 with the revenue of \$10,729,075 reported in cell J31.
12. Please refer to tab “99 Percent” of the CapCalc file. Cell C9 reports revenue of \$230. Cell B9 reports a volume of 2 transactions.

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<sup>2</sup> Docket No. R2017-1, Response of United States Postal Service to Question 4(a), (e), and (f) of Chairman’s Information Request No. 5, November 8, 2016, question 4(a)(xvii) and (xx) (November 8, 2016 Response to CHIR No. 5).

<sup>3</sup> November 8, 2016 Response to CHIR No. 5, question 4(a)(xvii.) and (xx.).

- a. Please confirm that this reported information is correct.
- b. Please also confirm that the average revenue in the hybrid year was \$115 (cell C9 divided by cell B9).
- c. If part a, b, or both are not confirmed, please file revised workpapers.

By the Chairman.

Robert G. Taub